

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 395 – SB 469

March 21, 2015

SUMMARY OF ORIGINAL BILL: Exempts operators or passengers from wearing a helmet while riding a motorcycle in a parade if speed is 30 miles per hour or less, and in a funeral procession, memorial ride, or body escort detail, when either the operator or passenger is 18 years of age or older. Current law exempts operators 18 years of age or older from the helmet requirement when operating a motorcycle in a parade at speeds of 30 miles per hour or less.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$9,800

Increase Federal Expenditures – Exceeds \$5,200

SUMMARY OF AMENDMENT (004132): Deletes and rewrites the bill such that the only substantive change is requiring the driver or passenger to wear a helmet in a funeral procession, memorial ride under a police escort, or in a body escort detail when riding on a four-lane highway with a posted speed limit of 60 miles per hour or more.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On March 14, 2015, a fiscal memorandum was issued for the amended bill with the following estimated impact:

Unchanged from the original fiscal note.

Given the fiscal note for the original bill was corrected on March 21, 2015, the fiscal impact for the amended bill is being corrected as follows:

(CORRECTED)

Unchanged from the corrected fiscal note.

Corrected Assumptions for the bill as amended:

- The Tennessee Association of Chiefs of Police, the Tennessee Sheriffs Association, and the County Technical Assistance Services (CTAS) report that there is no operational impact that will affect their expenditures.
- The Department of Safety reports no operational impact that will affect expenditures.

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- The fiscal impact of this bill is dependent upon several unknown factors such as the extent of accidents that will occur involving people who have not worn a helmet as a result of this bill, the timing of when any such accidents may occur, the extent of any such person's injuries when involved in an accident, whether or not they have medical insurance, and whether any such medical insurance is through a private or public provider.
- If an individual not wearing a helmet as a result of the bill is a TennCare enrollee or does not have insurance and the sustained injuries lead to TennCare eligibility, there could be a significant increase in expenditures. While costs vary depending on factors specific to each accident and the injuries sustained, historical costs for TennCare enrollees who incur head injuries can range from \$15,000 - \$60,000 per case annually.
- TennCare expenditures will receive a federal match rate of 65.035 percent; thus, the recurring increase in federal expenditures would exceed \$9,755 ($\$15,000 \times .65035$); and the recurring increase in state expenditures would exceed \$5,245 ($\$15,000 \times .34965$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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